

## Message Text

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PAGE 01 PANAMA 06102 251454Z  
ACTION ARA-14

INFO OCT-01 ISO-00 SAB-02 CIAE-00 DODE-00 PM-05 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02  
SS-15 USIA-06 TRSE-00 OMB-01 EB-08 AID-05 XMB-02  
FRB-03 /082 W  
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R 251420Z AUG 77  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 3372

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E.O. 11652: N/A  
TAGS: EFIN, EINV, PN  
SUBJECT: OUTSTANDING GOVERNMENT OF PANAMA DEBT

REF: A) TELCON ARA/PAN/WAGNER AND EMBOFF DANIELS 8/23;  
B) PANAMA A-067 AND ENCLOSURE

1. PARA. 2 PRESENTS A SUMMARY OF OUTSTANDING GOP DEBT SHOWING  
PORTION OWING TO VARIOUS US SOURCES. THIS INFORMATION WAS  
FURNISHED TO CODEL THURMOND LAST WEEK AT THEIR REQUEST.

2. OUTSTANDING GOVERNMENT OF PANAMA DEBT

MILLIONS  
OF DOLLARS PERCENT

TOTAL PUBLIC SECTOR DEBT: OUTSTANDING \$1,425.3 100.0  
(YEAR-END 1976)

INT'L FINANCIAL INSTITUTIONS (IFI)	164.9	11.6
WORLD BANK (IBRD)	(86.8)	(6.1)
INTER-AMERICAN DEVELOPMENT BANK (IDB)	(78.1)	(5.5)

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PAGE 02 PANAMA 06102 251454Z

U.S.	351.9	24.7
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A.I.D.	(89.1)	(6.2)
EXIM BANK	(32.8)	(2.3)
PRIVATE BANKS	230.0	16.2
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DIRECT LOANS (113.9) (8.0)  
PARTICIPATION IN CONSORTIA LOANS  
(U.S. EMBASSY ESTIMATE-  
50 PERCENT OF 232.2) (116.1) (8.1)

SOURCE: GOVERNMENT OF PANAMA STATISTICS

3. IN ADDITION TO THE ABOVE, THE GOP HAS OUTSTANDING APPROXIMATELY 175 MILLION DOLLARS IN DOMESTIC GOVERNMENT BONDS, SOME OF WHICH ARE HELD BY PRIVATE BANKS, BOTH U.S. AND FOREIGN, AND OUTSTANDING CREDIT LINES OF ABOUT 150 MILLION, PART OF WHICH IS ALSO WITH U.S. BANKS.

4. U.S. BANKS AND OTHER BANKS OPERATING IN PANAMA ALSO LEND FUNDS--USUALLY THE GREATER PORTION OF THEIR LOANS-- TO THE PRIVATE SECTOR; THIS PORTION IS GENERALLY BETWEEN 50 PER CENT AND 90 PER CENT DEPENDING ON THE BANK. BANK LINES OF CREDIT TO BOTH THE PUBLIC AND TO THE PRIVATE SECTOR ARE NOT BEING FULLY UTILIZED AT PRESENT (REPORTEDLY BECAUSE OF THE CONTINUING EFFECTS OF THE RECESSION AND CAUTIOUS INVESTOR ATTITUDE).

5. THERE ARE MANY NON-U.S. FOREIGN BANKS OPERATING IN PANAMA; IN FACT, U.S. BANKS ARE A SMALL MINORITY BEING 14 OUT OF A TOTAL OF 72 BANKS, AND SOME OF THE 14 ARE ONLY PARTLY U.S.-OWNED. THERE ARE ALSO NINE PANAMANIAN BANKS LIMITED OFFICIAL USE

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PAGE 03 PANAMA 06102 251454Z

AND 46 OTHER FOREIGN BANKS. ALL PRIVATE BANKS OPERATING IN PANAMA MUST MEET CERTAIN LEGAL MINIMUM REQUIREMENTS FOR DEPOSITING FUNDS WITH THE NATIONAL BANK OF PANAMA, DEPENDING ON THEIR TYPE OF LICENSE, BUT IT IS ALSO POSSIBLE FOR BANKS NOT HAVING OFFICES IN PANAMA TO HOLD VARIOUS PANAMANIAN GOVERNMENT OBLIGATIONS.

6. COMMITMENT AND ACTIVITY LEVEL OF U.S. BANKS IN PANAMA IS PROBABLY NOT DISPROPORTIONATE TO SUCH LEVELS IN OTHER COUNTRIES (EXCEPTING, OF COURSE, OFF-SHORE BANKING ACTIVITIES). BANKERS HERE, LIKE OTHER U.S. BUSINESSMEN HERE AND ABROAD, PREFER CONDITIONS OF POLITICAL STABILITY AND STEADY ECONOMIC DEVELOPMENT. BANKERS AND BUSINESSMEN HERE GENERALLY FAVOR THE TREATY AS BEING CONDUCIVE TO SUCH STABILITY AND DEVELOPMENT. BANKERS EXPECT THAT THE RATIFICATION OF THE TREATY WOULD PROBABLY IMPROVE THE INVESTMENT CLIMATE, WHICH SINCE 1975 HAS BEEN CAUTIOUS, AND IT IS WIDELY FELT THAT THE TREATY WOULD CONTRIBUTE TO THE REINVIGORATION OF THE ECONOMY.  
JORDEN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, REPORTS, GOVERNMENT DEBTS  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Media Identifier:**  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1487248  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OUTSTANDING GOVERNMENT OF PANAMA DEBT  
**TAGS:** EFIN, EINV, PN  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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